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## **Work in the kebab economy**

*A study of the ethnic economy of Turkish immigrants in Finland*

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**ABSTRACT** Immigrants from Turkey often end up as self-employed or employees in the fast-food and restaurant sector in Finland. The concept of ethnic economy describes the employment pattern in this particular economic sector. The article suggests that substantial state involvement is not necessarily in conflict with the existence of ethnic economies, and in some instances welfare state policies may even support the creation of ethnic economies. The article discusses both positive and negative consequences of an ethnic economy for the employees in the 'kebab economy'. Since the Finnish general labour market is, for the most part, closed to immigrants, Turkish employees end up in a situation where they work under bad working conditions in kebab shops, hoping one day to be able to start their own business. The results of the study highlight the importance of the wider economic, institutional and social contexts in which immigrant businesses operate.

**KEYWORDS** employees ● entrepreneurs ● ethnic businesses ● ethnicity ● trust ● welfare state ● working conditions

## **INTRODUCTION**

In Finland, many immigrants from Turkey end up working in the restaurant sector, primarily in pizza and kebab<sup>1</sup> fast-food outlets. This article is based on interviews with immigrants who work in this 'kebab economy'. In this article, the concept of ethnic economy is utilized to describe the pattern in the restaurant sector, from employment to self-employment, that many recent immigrants from Turkey have experienced. Finland can be regarded as a highly developed welfare state that actively strives to combat social exclusion and marginalization. Taking into account this societal context, the

existence of separate 'ethnic economies' is surprising. However, the results of this study suggest that the employment policies of developed welfare states do not necessarily contravene the development of ethnic economies, and in some case may even support the creation of an ethnic economy.

Finland has a regulated labour market with an extensive labour legislation regulating working conditions and terms of employment, including legally binding minimum pay rates. The country is regarded as a highly developed welfare state, similar to neighbouring Scandinavian countries. The welfare system of these countries has traditionally been regarded as representing the 'Nordic welfare state model'. This welfare state ideology includes a strong emphasis on the role of work for the integration of all citizens. The principle that everyone of working age should be active in the labour market has been regarded as a primary way to prevent social exclusion (Svallfors et al., 2001; Blomberg-Kroll, 2004). The relatively high rate of unemployment has been regarded as a serious problem and an important political issue throughout the post-war period in Finland. Thus, employment for all citizens retains high priority and different measures to battle against unemployment constitute a central part of the welfare state policies. The strong emphasis on employment also has consequences for immigrant integration policies, which are primarily focused on integrating immigrants into the labour market (Valtonen, 1998; Wahlbeck, 1999). The existence of separate ethnic economies is thus perhaps not the first issue that comes to mind concerning this type of welfare state. However, even in a welfare state such as Finland, immigrant groups seem to establish ethnic economies. This article describes how practices of the Finnish employment offices have even supported the creation of an ethnic economy. In addition, the article points out some positive and negative consequences of an ethnic economy for the immigrants involved. The study is based on semi-structured interviews with both Turkish entrepreneurs and their Turkish employees in Finland, and the aim of this article is to particularly highlight the perspective of the employees in the Turkish ethnic economy.

Immigrants often experience marginalization and exclusion in the general labour market in Finland, which is reflected in a relatively high rate of unemployment (cf. Forsander, 2002a, 2002b; Valtonen, 2001). The unemployment rate among foreign citizens was 31 percent by the end of 2001, while the rate was 12 percent in the total population. Among Turkish citizens the unemployment rate was 32 percent (Statistics Finland, 2003: 25). On the one hand, the ethnic economy may therefore be regarded as a positive alternative to unemployment among immigrants. Immigrant entrepreneurs create their own jobs and also tend to employ other immigrants if the business is successful. Consequently, an ethnic economy might therefore be regarded as supporting the goal of full employment, which is a central ideal of the welfare state. On the other hand, an ethnic economy may be in conflict with other ideals of the welfare state, relating to working conditions,

decent wages and equality in general. This article discusses these issues with the help of results obtained from the study of immigrants from Turkey in Finland.

## ETHNIC ECONOMIES

The concept of 'ethnic economy' refers to any ethnic or immigrant group's self-employed, its employers, their co-ethnic employees and their family members (Light and Karageorgies, 1994: 663; Light and Gold, 2000: 9). An ethnic economy exists whenever an ethnic group maintains a private economic sector in which it has a controlling ownership stake, regardless of whether the customers are or are not co-ethnics (Light and Gold, 2000: 9–10). The concept draws attention to the ethnic resources and social networks that are used to establish and run small businesses. The term ethnic economy has been used to describe how minorities and immigrants are economically active in small businesses in specific economic sectors, usually in sectors that are labour intensive but do not require skilled labour. Thus, members of the same ethnic group are both self-employed and employees within the same economic sector. Whatever is not part of the ethnic economy belongs to the general labour market (Light and Gold, 2000: 4).

The discussion concerning ethnic economies largely derives from the earlier literature about 'middleman minorities' (Bonacich, 1973; Bonacich and Modell, 1980; Light and Bonacich, 1988). An often-quoted article by Bonacich (1973) describes 'middleman minorities' as having their roots in another country and a 'stranger' status in the society of settlement. They are involved in small enterprises in the trade and service sector, rather than in primary production or in capital-intensive sectors. Thus, middleman minorities occupy an intermediate rather than a classical low-status position. However, hostility from the surrounding society is also part of the position of a classical middleman minority (Bonacich and Modell, 1980).

The 'ethnic enclave economy' is another notion that has been used to describe minority and immigrant businesses, and there has been an occasionally confusing discussion about the relation and difference between the notions of ethnic economies and ethnic enclave economies. Light and Gold (2000) argue that an ethnic enclave economy should be regarded as a special case of ethnic economies, while Zhou (2004) points out the analytical differences between the two concepts. The discussion about enclave economies has originally derived from the dual labour market theory. Portes has in his development of the concept of ethnic enclave economies stressed the locational cluster of ethnic businesses (e.g. Portes, 1981; Portes and Bach, 1985). Spatial clustering is therefore a key aspect that

distinguishes ethnic enclave economies from other ethnic economies (Light and Gold, 2000: 11–15).

As in other areas of sociology, the concept of ‘social capital’ has recently been employed in the studies of ethnic economies. In economic sociology, the point of social capital is usually to examine the underlying social relations that make a business tick (cf. Nederveen Pieterse, 2003: 37). For example, the concept of social capital has been used to describe the collective resources immigrants utilize to establish small businesses. However, in relation to the concept of social capital, it is worth remembering that prior literature exists which, without using the term ‘social capital’, makes the same point, namely that the networks in which individuals are involved are at the same time resources upon which they can draw (e.g. Granovetter, 1973). As Portes and Sensenbrenner point out, ‘the effervescence of research following the reconceptualization of economic sociology in recent years has somewhat obscured the fact that many of these same ideas have been present all along in the sociological tradition and that they are, in a sense, central to the founding of the discipline’ (Portes and Sensenbrenner, 1993: 1322–3). It is also important to remember that it may be misleading to assume that social capital in ethnic businesses is always based on ‘ethnicity’. Ethnic businesses also need other types of resources, networks and cross-cultural relations to function (cf. Wahlbeck, 2004b). Jan Nederveen Pieterse (2003) is critical of the notion of ethnic economy and argues: ‘cultural social capital functions, and over time can only function, as part of cross-cultural social capital’ (Nederveen Pieterse, 2003: 40). To understand immigrant and ethnic businesses, it is crucial to take into account the wider economic, institutional and social contexts in which the businesses operate – for example, policy issues such as labour market policies and opportunities (e.g. Rath, 2000).

Furthermore, there are different types of social networks and in some situations networks may act more as a constraint than a resource for immigrant and ethnic groups. While social networks consist of high levels of social capital, they can also be exploitative and marginalizing of various members (Vasta, 2004). Social networks may impose excessively strong commitments that constrain the possibilities of individual members. Thus, ‘negative social capital’ may exist where social networks have a negative impact (Portes, 1998; Portes and Landolt, 1996). For example, a study of the Chinese ethnic economy in Toronto (Fong and Ooka, 2002) suggests that working in ethnic economies hampers participation in the social activities of the wider society. The authors suggest that the social cost of participating in the ethnic economy can be substantial. The establishment of ethnic economies is clearly not always a positive development. The aim of this article is to study the experiences and consequences of working in an ethnic economy. The article will particularly draw attention to the experiences of Turkish employees in Turkish-owned businesses.

The concept of ethnic economy is developed primarily within a North American context, and one can ask to what extent the concept is relevant to studies in other countries. For example, authors that apply the concept to the case in Britain indicate that this demands a discussion of the contextual differences (Barrett et al., 1996; Strüder, 2003). This Finnish study is inspired by discussion about ethnic economies in the neighbouring Scandinavian countries, especially in Sweden. Although Sweden displays a different history of immigration, the case in Sweden exhibits similarities with the case in Finland with regard to the structure of the welfare state and the highly regulated labour market. Interestingly, there has been discussion in Sweden concerning whether immigrant businesses should be regarded as a road to positive integration or be seen as just another type of exploitation and marginalization. The answer to the question is mixed (e.g. Khosravi, 1999; Najib, 2000; NUTEK, 2001; Pripp, 2001; Ljungar, 2002; Hjerm, 2004). Similar discussions of ethnic economies have also occurred in Germany (e.g. Özcan and Seifert, 2000) and Denmark (e.g. Rezaei and Bager, 2003).

This leads to the crucial question of the relationship between the state and ethnic economies. In North American research, ethnic economies are often regarded as largely independent from the state. In a European context, the state, or more precisely various official employment and social welfare policies, may be more consequential. This article suggests that substantial state involvement is not necessarily in conflict with the existence ethnic economies, and in some instances state policies may even inadvertently support the creation of separate ethnic economies.

## BACKGROUND OF THE STUDY

Immigrants from Turkey were chosen for this case study because previous research in Finland has shown that a remarkably large number of the immigrants from Turkey are self-employed in the restaurant sector. In a study by Annika Forsander (2002b) of immigrants of working age who arrived in Finland in the years 1989–93, in total, only 4 percent were self-employed by the end of 1997. In comparison, the percentage of self-employed in the total population was 8 percent. However, among the Turkish citizens in the study, 22 percent were self-employed, which constituted the highest proportion of self-employment in all nationality groups. Furthermore, 92 percent of the Turkish self-employed in the study worked in the restaurant business (Forsander, 2002b: 169–70). Likewise, in a study of immigrant entrepreneurs in the Helsinki area carried out by Tuula Joronen and her colleagues, Turkish entrepreneurs constituted the most prominent group (Joronen et al., 2000: 47; Joronen, 2002: 141).

This study is based on 38 semi-structured interviews with immigrants from Turkey conducted in 2001–02. In total, 27 Turkish self-employed/employers and 11 Turkish employees in Turkish businesses were interviewed. However, it turned out to be difficult to clearly distinguish between the self-employed, the employers, the employees and the family members involved in the ethnic economy. In different situations and in different periods, people had different positions. For example, among the 27 that were self-employed at the time of the study, 20 had at some earlier stage been employees in Turkish businesses. The total number of interviewees with an experience of being employed at some point in Turkish firms was thus 31. Due to the gender division in the Turkish businesses in Finland, only three of the interviewees were women. All the interviewees were born in Turkey and most of them were Turkish citizens. In this article, for purely practical reasons, the interviewees and their businesses are described as ‘Turkish’, although the interviewees also included Kurds and other Turkish minorities.<sup>2</sup> None of the interviewees were born in Finland and they can therefore be accurately regarded as immigrants.

Finland has never experienced a labour migration from Turkey and immigration is, in general, a relatively new phenomenon in the country. Immigrants from Turkey have predominantly arrived in Finland since the late 1980s. The size of the Turkish community in Finland is therefore small compared to most other European countries. According to the population register (Statistics Finland, 2004), there were, in total, 2146 *Turkish citizens* living permanently in Finland on 31 December 2002. A striking feature of the group is that there are far more men than women (1565 men and 581 women). The population register also indicates that the number of people *born in Turkey* and living permanently in Finland was 2614, of which 1994 were men and 620 women. These figures reflect the fact that there are Turkish-born people who have acquired Finnish citizenship. The relatively small size of the group was an advantage in this study. Interviews were made with a clear majority of the Turkish employees and employers in two chosen geographical locations. The focus of the study was in Southwest Finland (Varsinais-Suomi), and the aim was to include all Turkish businesses in this area. In total, 31 interviews were conducted in south-west Finland, which included almost 90 percent of the Turkish self-employed/employers in the region. In addition, seven interviews were conducted in urban Helsinki. Thus, both the capital region, with a relatively large concentration of Turkish immigrants, as well as the regional dispersal of Turkish businesses were under study.

Qualitative interview methods were employed to obtain a broad picture of the interviewees’ own understanding of their situation. A majority of the interviews were carried out in Turkish by a Turkish-speaking research assistant. The interviews were later transcribed and translated to facilitate the analysis. The interviews were complemented with a complete study of the



information available in the Finnish Trade Register concerning all Turkish-owned businesses in Finland.

## THE TURKISH ETHNIC ECONOMY IN FINLAND

In 2002, the Finnish Trade Register included information about 250 to 300 firms established by entrepreneurs with Turkish names. This is a high proportion considering the small number of immigrants from Turkey. Furthermore, the information in the register indicates that a clear majority of the Turkish businesses are active in the service sector, mainly in restaurants and fast-food outlets. This was confirmed by the interviews conducted for this study, which clearly revealed that selling kebabs and pizza is the dominant business activity among Turkish immigrants in Finland. Out of the 27 entrepreneurs that agreed to be interviewed, 24 were active in the restaurant sector. Among the interviewed employees the dominance of the kebab business was even clearer: 10 out of 11 were presently working in kebab shops. Among all the 31 interviewees that had an experience of being employed in a Turkish-owned firm, 30 had been working in small-scale restaurants and fast-food outlets during some period of their life. Most of the Turkish business owners and entrepreneurs in the Finnish Trade Register are men, but there are also female Turkish entrepreneurs. Although the service sector is dominant, there are a few companies active in trade with imports and exports. Regardless of the business sector, the Turkish firms are usually small-scale enterprises. There are a few large firms that have been successful, but most Turkish businesses are small-scale businesses that cannot afford to have regular employees.

During the 1960s and 1970s in Sweden and Germany, the Turkish migrants were employed in factories and by the public sector. It was only after the increase in the unemployment rate in these sectors that Turkish immigrants moved into self-employment. An enabling factor for Turkish businesses in Sweden and Germany was the existence of a large Turkish enclave economy, and many businesses were originally established mainly to serve the Turkish community (Hjarnø, 1988; Abadan-Unat, 1997; Pripp, 2001). This type of ethnic enclave economy does not exist in Finland and immigrant entrepreneurs are immediately forced to compete with Finnish businesses. My examination of the Trade Register revealed that the Turkish businesses are surprisingly geographically widespread in Finland. It is possible to find Turkish kebab shops in small and remote rural municipalities all over the country. Since there is no spatial concentration of the Turkish businesses, it is clear that they do not constitute an *enclave* economy in the sense outlined by Portes (1981; Portes and Bach, 1985).



### ***The establishment of kebab shops***

My interviews indicate that the first kebab businesses in Finland were established in the mid-1980s. This was part of a more general tendency to establish new types of 'ethnic restaurants' and fast-food outlets, and the first kebab shops were actually opened by Finns. The first Turkish immigrant entrepreneurs were men who had lived in Finland for some time, usually married to a Finn and fluent in Finnish. The idea to establish fast-food outlets came from Germany and Sweden, where numerous kebab shops were founded in the early 1980s. The first Turkish entrepreneurs utilized their transnational connections, as well as assistance from their Finnish spouses to establish the first kebab shops in Finland (Wahlbeck, 2004b). In more recent years, the example set by immigrants who had arrived in Finland earlier has been crucial for those arriving later on. Usually, a Turkish kebab owner has previously worked as an employee in a kebab shop owned by another immigrant, usually an immigrant from Turkey. After some time, the employee establishes his own shop, or, in some cases, he buys the shop where he has been employed ('he', since the entrepreneurs are mostly men). This pattern, where co-ethnic employees become self-employed later, suggests that there is reason to talk about an ethnic economy in the sense outlined by Light and Gold (2000).

A surprising result of the study was that none of the interviewees had worked in a kebab shop in Turkey before arriving in Finland. A Turkish man explained how he ended up as an entrepreneur in the early-1990s:

[Starting a business] was not at all my intention when I came to Finland. My original intention was to study. My brother lived here and suggested a school for me, but it did not turn out very good and I left the school. But when I came to Finland, the restaurant sector, the whole kebab business, was going very well. That is where I got the idea. But, actually, I did not have any alternative; I became unemployed and there were no other jobs available [. . .] I became somewhat familiar with kebab restaurants in Finland after I moved here. I was helping a few times in kebab shops and that is where I got the idea. (Interview no. 32)

Establishing fast-food outlets became common among Turkish immigrants, as well as among other immigrant groups in Finland in the 1990s (Wahlbeck, 2004b). The work in a fast-food outlet is easy to learn and a kebab shop requires minimal capital investment. The equipment is not expensive and the restaurant is often situated in places where the rent is affordable. The investment needed is time, a commodity that immigrants in Finland had an abundance of in the 1990s because of the unemployment situation. This is also one of the few business sectors where it was possible to compete with Finnish entrepreneurs by working longer hours than the Finns. In the late 1980s and early 1990s, the competition was not as fierce as it became later in the 1990s, when the number of immigrants increased and many of them

started their own kebab and pizza businesses. A kebab shop owner explained this development:

Foreigners do not have any other option than to start a business in this sector. There are no alternatives. The number of foreigners grows year by year and the more foreigners there are, the more places like this are born. Naturally, the share of the cake that you pick up gets smaller and there is not enough for all of us. (Interview no. 18)

My interviews clearly indicate that the major reason why the interviewees started their own business was unemployment. None of the interviewees had arrived in Finland with an intention of establishing a business. The reason for moving to Finland was always connected to personal reasons, or attributed to complete coincidences. The idea of establishing a business usually came after some time spent in Finland, often associated with a period of unemployment (cf. Wahlbeck, 2004b).

### ***Ethnicity and trust***

This study indicates that the Turkish-owned kebab shops in Finland provide jobs for many unemployed Turkish immigrants in Finland, but the shops also employ members of other immigrant groups. The capacity to generate jobs is undoubtedly high among the Turkish entrepreneurs in Finland. This is a similar result to recent studies of Turkish businesses in London and Berlin. Antoine Pécoud (2004) points out that Turkish shop owners in Berlin flexibly employ both co-ethnic and non co-ethnic workers. Inge Strüder (2003) concludes that the Turkish-speaking businesses in London have a high capability of creating jobs for members of other minorities and the host society as well.

However, it is extremely rare to find Finns working in the Turkish-owned kebab shops in Finland. The study of Turkish businesses revealed that the employees were predominantly immigrants from Turkey, and the remaining employees were members of other immigrant groups. This raises the pertinent question of why are there mostly co-ethnic employees working in the kebab shops, and why there are so few Finns? This question was discussed at length in the interviews and the interviewees had a clear opinion as to why Finns were not suitable as employees. The entrepreneurs needed employees on whom they could rely when running the business, as well as in the event that the business did not succeed. There was an additional need for flexibility regarding working hours and salary on the part of the employee. A Finnish employee was usually not regarded as providing the necessary flexibility and would probably not be ready to work under the working conditions that exist in kebab shops. A Turkish regular employee in a kebab shop explained:

Q: How did you get this job?

A: I am honest. The employer trusts me. He leaves me to take care of this shop. He knew me from before and he knew that he could trust me.  
(Interview no. 3)

In the event that Turkish employees were not available, the second best alternative for the employer seemed to be an immigrant from the Middle East, where at least some form of trust could be established. An entrepreneur in a small kebab shop gave the following information about his business:

Q: Are there any employees in your shop?

A: One Iranian, whom I knew from before. He is my friend. I know him and I trust him. (Interview no. 18)

From the point of view of the employers in small businesses, reliable employees are regarded as a crucial factor in the running of the business. As outlined in many studies of ethnic economies (e.g. Najib, 1994: 80; Ram et al., 2000: 504–6), the need for reliable employees is regarded by the employers as a justification for the recruitment of co-ethnics as well as members of other immigrant groups. For immigrant and ethnic businesses, trust becomes especially important, since it is one of the few resources that a minority community can generate to a larger extent than a resourceful majority. In an overview of the factors influencing the successes of ethnic businesses, Granovetter (1995: 155) argues that the advantage of ethnic businesses seems most robust where the most problematic commodity required is trust. Thus, the reason why Turkish employers prefer Turkish employees is not ethnicity as such; rather it is a wish to find employees they can trust. The ‘ethnic economy’, at closer scrutiny, seems to be an ‘economy of trust’.

From the point of view of the employees, why do they choose to work in the Turkish ethnic economy? The interviews with employees clearly indicate that the alternatives are very few. Strictly speaking, there are no other jobs available. Most of those who are employed in the kebab businesses wish to start a business of their own, and regard it as useful to learn the trade before they are able to establish their own shop. A young employee who had arrived in Finland less than a year ago discussed the following about his future plans:

A: Here [in Finland] somebody like me does not have any other possibility than jobs in this line of business. Probably, for my future the best job is kebab-pizza work. I want to stay in this line of business. [. . .]

Q: Do you think that the experience you gain in your present job will be useful when you apply for jobs in the future?

- A: Of course it is. At the moment I am a trainee, I learn how to make kebab and pizza. If in the future I will work in a pizza restaurant, I think this [experience] will be useful. (Interview no. 17)

### ***The role of the employment office***

An important feature of the Turkish ethnic economy in Finland is that the ethnic economy seems to be supported by the official welfare state structures of Finnish society. The practices of the public Finnish employment offices have in many ways contributed to the expansion of the Turkish ethnic economy. Most importantly, many of the interviewed employees had been employed in kebab shops with significant support from the employment offices. Many had received their job from the employment office as a *placement of practical training* (*työharjoittelupaikka*). The official scheme of practical training aims to promote a placement in working life for unemployed people, the employee retains his or her right to 'labour market support' (i.e. unemployment benefit) during the period of practical training. Another possibility is to receive a job as an official *apprenticeship training position* (*oppisopimuskoulutus*) for a fixed period of time. The apprenticeship contracts tend to be for a longer period than the schemes for practical training. Apprenticeships are based on an official detailed agreement between the employer and the employment office, whereby the employer gets financial support for employing an unemployed person (Ministry of Labour, 2005).

The employment office clearly supports an 'ethnic pattern' in which Turkish unemployed gets training positions in Turkish firms. The task of the Finnish employment offices is to find individual solutions for all unemployed. If no job can be found, the employment office tries to organize practical or theoretical training for the unemployed. However, finding suitable training places for all long-term unemployed immigrants is difficult. Therefore, the ethnic pattern seems to be convenient for all involved partners. Unemployed Turkish immigrants acquire a job and learn a trade, the Turkish employers receive reliable employees, and the employment offices are able to find a placement for a client. An employer explained how this pattern worked in practice:

- Q: How are the employees recruited? Where did you find them?  
 A: Well, they ask for [a job] themselves. Sometimes it has been the employment office that has contacted [me] and the work trainees come from there. However, usually people themselves come and ask for a job, or they hear through acquaintances about this place. After that, I advise them that they can get a position as a trainee, and through the employment office it is organized. (Interview no. 32)

Almost half of those in this study that were working in kebab shops were employed within the framework of official training schemes. Those that were not trainees mostly worked in family businesses or in firms owned by a more distant relative. It is clear that the training schemes administered by the employment offices have contributed significantly to the employment pattern of an ethnic economy where Turkish-owned firms employ co-ethnic employees. Many of the Turkish businesses in the restaurant sector could not afford a regular employee and the trainee often seemed to be crucial for the running of the business as a whole.

Another scheme of the employment offices is the *start-up subsidies* (*start-tiraha*) available during the initial establishment of a business. The subsidy guarantees a small income for the self-employed during a specific period of time. Receiving this support seemed difficult, as only two of the self-employed in this study had received a start-up subsidy when they opened their businesses.

The following quotation gives a good picture of the employment processes in the Turkish ethnic economy. It is an example of a career that has shifted among periods of unemployment, employment and self-employment, but regardless of period within the Turkish ethnic economy and often within schemes administered by the employment office:

- A: In this [kebab] line of business I have been in work training, after that I opened my own shop. I was an entrepreneur for two years, but since it did not pay off, we were forced to sell the place. After that I started to work here [as a trainee], since I did not get any other job.
- Q: How did you get the job?
- A: After I quit the [previous] job. [The employer] had applied for a trainee from the employment office. After that I went to the employment office and I said that [the employer] needs a trainee and I started the training and after that I started the job.
- Q: Why did you and nobody else get the job?
- A: Because I was the first to go to the employment office and that is why I got the position as a trainee. [. . .]
- Q: What are your plans for the future? Will it be in the same line of business as where you are working now?
- A: If the conditions are right. If I find good premises and if they rent the premises to me. I would like to be in the same line of business. Because in any case – at present – I have to do this type of work. We cannot move into any other line of business. (Interview no. 8)

## WORKING CONDITIONS IN THE KEBAB ECONOMY

What kind of experiences do the employees have of working in the ethnic economy? The interviews suggest that the experiences of working in the

kebab shops are widely different, depending on how long the interviewee has been living in Finland. The recently arrived immigrants are happy that they have managed to find a job, while those who have been in Finland longer and have more experience are very critical of the employment and salary payment practices, as well as working conditions. An employee who recently had arrived in Finland had been employed for two weeks in a kebab shop in a position as a trainee:

- Q: What are your plans for the future concerning your job? Will you stay in the same job?
- A: In the future I want to open or buy a firm in the same line of business as where I am presently working, because here [in Finland] you can gain success in this line of business. I have learnt the trade and I do not have much knowledge of other lines of business. Everything depends on whether I will get a [residence] permit or not. (Interview no. 7)

Employees often agree to work for a small salary, since they are able to learn the trade and establish useful connections that can be used in future business. This type of 'deferred compensation', whereby employees are paid low wages for a period and then remunerated through assistance in establishing their own business is, according to Light and Gold (2000: 118), common among ethnic economies. The relation between the employer and employee may be complex in ethnic businesses and are always influenced by the labour market and the social context of the firm (cf. Ram et al., 2001). The ethnic networks that help people find a job may also bind an employee to a business, despite possible poor working conditions. It can be argued that ethnic networks provide social capital that can be utilized in the ethnic economy, but this may also hamper the access to the general labour market. Thus, in some circumstances, this may be referred to as 'negative social capital' (cf. Portes and Landolt, 1996; Portes, 1998). The interviews in this study indicated that the Turkish employees are often bound by their specific relationship to the employer and work under bad working conditions, hoping one day to be able to open their own business. For example, a former employee in a kebab shop told me about his working conditions and how difficult he personally found it to leave the job:

From the other place, I quit, because I was working six days a week and I think I was at work 13–14 hours every day. The salary was about 10 Finnish marks an hour [€1.70], but I had promised the employer that I would work the period we had agreed. However, I got a [serious medical condition]. And I thought, since the salary was also very small, that I had to quit the job. I told the employer about the [medical condition]. In addition, the salary was very small, although I do acknowledge that the business was recently established. [The employer] got slightly offended, but in the end I quit the job. (Interview no. 19)

As the size of the salary of the employee in the quotation above already suggests, the working conditions for employees in the fast-food outlets may

in some cases be very poor. In this particular case, the salary seems to have been far less than the minimum wage in the restaurant sector (about €6.00 at the time). The reason why the employee did not object to this salary was the fact that the employer himself probably received even less out of the business. The kebab business is a competitive economic sector. The Turkish entrepreneurs work very long hours and often find it difficult to make ends meet. Thus, the position of the employee is often a reflection of the position of the employer. In any case, it can be concluded that to be employed in a kebab shop does not constitute a very attractive job economically. In context, however, the alternative of being unemployed does not look very promising either. Thus, most Turkish employees hope one day to establish a shop of their own.

The more experienced employees who had lived in Finland for a longer time tended to be far more critical about working conditions in the kebab shops than the young employees who had recently arrived in Finland. A Turkish man who had been in Finland for more than six years had experiences of working short, occasional periods in kebab shops:

Q: How do you think the position of immigrant labour could be improved in Finland?

A: First of all, the knowledge of the immigrants has to increase, because they do not know the language and they do not know the system, therefore they are exploited. As far as I understand, immigrant employers exploit and employ people to work clandestinely. Finnish employers might for sure also exploit some immigrants. I do not know how they gain; they exploit, they pay less salary, they avoid paying taxes. In the end, it is the employee that suffers.

Q: What should be done about this?

A: First of all, immigrants have to learn the system. They have to know the language and they have to learn the skills of an occupation. A person, whose starting point is 'I am prepared to do any job at all', he is doomed to be exploited. Therefore, the immigrant has to change himself.

(Interview no. 12)

This interviewee suggests that there is a danger that some of the immigrant employees might end up in irregular employment conditions, which are characterized by exploitation. The problems employees experience when they work clandestinely, i.e. in a 'shadow (hidden) economy', was also a central topic in another interview with a Turkish man who had been living in Finland more than 10 years. He had extensive experience doing various jobs, both in the general labour market and in the ethnic economy. He raised concerns about the future situation of more recent Turkish immigrants:

Q: Do immigrant employees experience any specific problems in Finland?

A: [...] I think that the Turkish workers who live in Finland or arrive here, their biggest problem is ignorance, lack of education, and because of this



– and they might not be able to amend this during their lifetime – they suffer a loss. This is what I think. I know that there are people among my acquaintances who have been five to six, even eight to 10 years working clandestinely. These people, they do not belong to the pension system or insurance system. [. . .] But our Turkish employers are very wise and have realized that they inform the authorities that the employee works only 10 or five hours a week. Although this practice did not yet exist during my time, I am still sure that the employee is there at work at least five to six days a week and at least 10 hours a day. The unemployment benefit [of the employee] is not cut if the employee's income is less than the official limit [. . .]. But if the employee would be wiser, he would not accept this. Think about it, you are at work four to five days a week and work for several months or years and you do not accumulate anything for yourself. To be very frank, this is exploitation. [. . .]

Q: How do you think the position of immigrant labour could be improved in Finland?

A: [. . .] In the first instance the immigrants should be educated. In addition, there should be tough controls and harsh sanctions for the businesses that employ clandestine labour in this way. I might be too cruel in this matter, but it is a question of people's work, sweat and labour, and people should not be exploited when they are defenceless. (Interview no. 19)

The two quotations above raise several serious questions about the working conditions of recent immigrants. The two interviewees seem to suggest that it is not uncommon to participate in a shadow economy. It is suggested that employers may try to avoid paying compulsory taxes and social security revenues for the employees. Furthermore, the employment may be arranged in such a way that the employee can continue to get unemployment benefits, since some of the employee's income may be unrecorded. There also seem to be questions concerning the size of salaries and employment conditions: do all employees always receive the minimum wage and are all regulations concerning working hours followed? These questions must be put into the right context. It should be pointed out that the shadow economy is not only limited to ethnic and immigrant businesses in Finland. Small businesses in the Finnish restaurant sector in general have been characterized by a relatively large amount of hidden economic transactions and other types of illicit activities. Furthermore, unpaid labour and irregular employment conditions are common in all types of family businesses, regardless of ethnicity. To know whether a shadow economy is more common in Turkish businesses – or in immigrant businesses in general – one would need to make a systematic comparison with similar small businesses owned by the ethnic majority. This comparison has not been possible within the framework of this study. Before making any moral judgements, one also needs to consider the alternatives to working in the shadow economy. Many employers in small businesses would probably not be able to employ

anybody at all if all laws and regulations were strictly followed. Furthermore, for most employees in the Turkish economy there are, in practice, no other jobs available. From a strictly economic point of view it is, of course, better with a shadow economy than with no economy at all. From the point of view of the employees, it may also be better to have a job than to be unemployed with nothing to do. Thus, the picture is complex and the consequences of the shadow economy can be discussed from many different perspectives. If nothing else, this study points out the need for more research concerning the working conditions in shadow economies.

## CONCLUSION

The Turkish ethnic economy in Finland provides employment for many immigrants from Turkey. The immigrants involved in the ethnic economy that were interviewed in this study indicated that they do not have any other option than to work in the restaurant sector, mainly in small kebab and pizza restaurants. The Turkish employees find it very difficult to find a job in the general labour market and therefore they are forced into a specific Turkish ethnic economy. The major alternative to employment in kebab shops is to become self-employed within the same line of business. The example set by immigrants who have arrived in Finland at an earlier time has been crucial for those arriving later on. Until an immigrant succeeds in establishing a business of his or her own, he or she often works temporary jobs in restaurants owned by other Turkish immigrants. Learning the trade by working in a kebab shop before you open your own shop is regarded as useful. Thus, many immigrants end up in the kebab economy, hoping one day to be able to start their own business. This pattern, from employee to self-employment, was clearly evident among the immigrants in this study. This pattern is a common feature of ethnic economies in general (Light and Gold, 2000). Although it can be argued that the concept of ethnic economy has weak explanatory power (cf. Nederveen Pieterse, 2003), the concept still highlights the specific employment patterns that can be found among Turkish immigrants in Finland. The Turkish self-employed and employers are concentrated within a particular economic sector and predominantly employ co-ethnics.

However, although the concept of an ethnic economy is a useful descriptive term, it does not tell us very much about *the reason why* we have an *ethnic* economy. To put it differently, there are relatively obvious reasons why we have an 'economy', but it is less obvious why it is 'ethnic'. The reasons why immigrants are self-employed are clearly related to problems in the general labour market. However, this does not explain the ethnic employment pattern in the businesses. The results of this study bring to light

two factors that significantly contribute to the existence of an ethnic employment pattern: the need for trust and the role of the state. As outlined in many previous studies of ethnic economies, a key factor explaining an ethnic economy is trust between employees and employers. Turkish employers prefer Turkish employees because they are regarded as reliable, flexible and trustworthy. However, reliable employees can be found both among co-ethnics and among other immigrant groups. Thus, the Turkish employers in this study employed other immigrants to a large extent in addition to employing co-ethnics. A more surprising result of this study is the role of the welfare state for the Turkish ethnic economy in Finland. An ethnic employment pattern seems to be significantly supported by the public Finnish employment offices that provide Turkish firms with co-ethnic employees within the framework of various training schemes. Although ethnic economies and an inclusive welfare state may not immediately be seen as going hand in hand, this study suggests that the structures of a developed welfare state may, in some cases, support the creation of an ethnic economy. Thus, the results of this study underline the importance of the wider economic, institutional and social contexts in which immigrant businesses operate. In many ways, the future development of the Turkish ethnic economy seems to depend largely on the structures of the Finnish labour market and developments in Finnish society at large. Welfare-state institutions, such as employment offices, should be made aware of the role they play in immigrant businesses and the ways in which they contribute to the creation of both disadvantages and opportunities for immigrants and ethnic minorities.

The ethnic economy can be regarded as an alternative avenue for immigrants to achieve economic advancement in Finland. In fact, there are a few successful Turkish businessmen in Finland. The ethnic economy can constitute a stepping-stone that some immigrants can use to achieve economic and social advancement in Finnish society. Yet, for many immigrants the ethnic economy seems to constitute a trap in a marginal business sector. Economic success seems to be relatively rare, and most of those working in the Turkish ethnic economy are either struggling to make ends meet as self-employed or are employed in kebab shops under difficult economic and social circumstances. The working conditions in the Turkish ethnic economy in Finland are far from satisfactory. At the end of the day, to work in the 'kebab economy' seems to be the 'best' choice from a range of bad alternatives.

## Notes

- 1 In Turkish, the correct spelling is 'kebab'. However, the term is almost without exception spelled 'kebab' in Finland, also by the Turkish entrepreneurs themselves.

- 2 Because of the relatively recent history of immigration from Turkey to Finland, this study was limited to interviewees that were either Turkish citizens or born in Turkey. Nederveen Pieterse (2003) argues that studies of 'ethnic economies' in fact often refer to *national* groups, not *ethnic* groups as such. This study is no exception, and unfortunately this is a complex question that cannot be sufficiently discussed here. Obviously, there are people in Finland who define themselves as 'Turkish', although they are neither Turkish citizens nor born in Turkey. An indication of this gives the official size of the Turkish-speaking group in Finland, which is larger than the number of those born in Turkey. A total of 2864 persons (2040 men and 824 women) indicated Turkish as their native language on 31 December 2002 (Statistics Finland, 2004). Most of the 'second generation' are, however, too young to be involved in business. More importantly, a significant proportion of Turkish citizens or people born in Turkey might also define themselves as Kurdish (cf. Wahlbeck, 1999). There are about 500 officially Kurdish-speaking people among those born in Turkey (Wahlbeck, 2004a). Still, for practical reasons, I need to use a concise and easily recognizable term that describes the way my study is delimited. In this study, I have chosen to use the term 'Turkish' as a descriptive category, because this is a term that all my interviewees, to a greater or lesser extent, can identify with.

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